

State Procurement Office

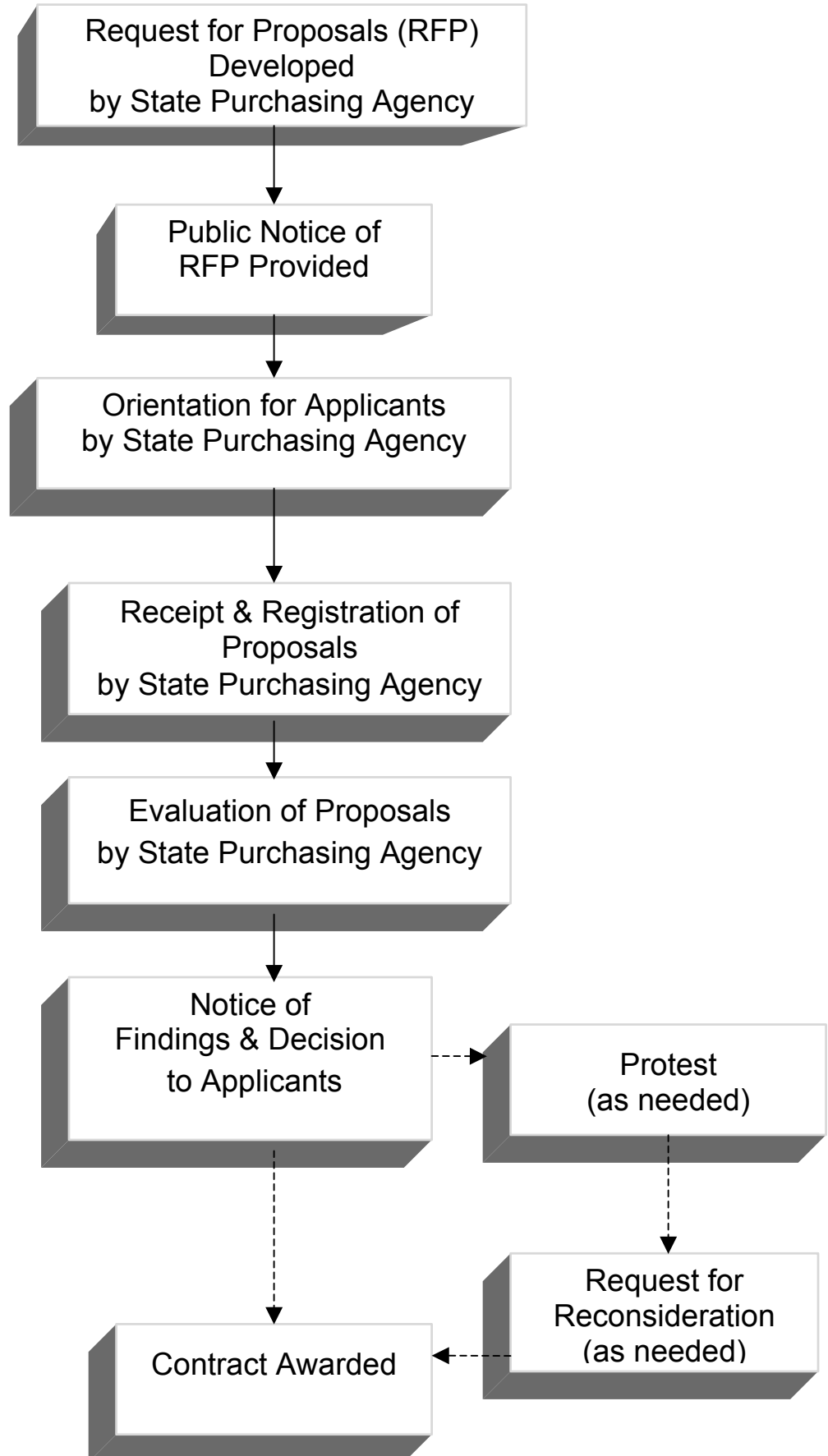
Chapter 103F, Hawaii Revised Statutes

## **Purchases of Health and Human Services**

### **Procurement Flow Charts and References on the 5 Methods of Procurement**

Competitive Purchase of Services  
Restrictive Purchase of Services  
Treatment Purchase of Services  
Small Purchase of Services  
Crisis Purchase of Services

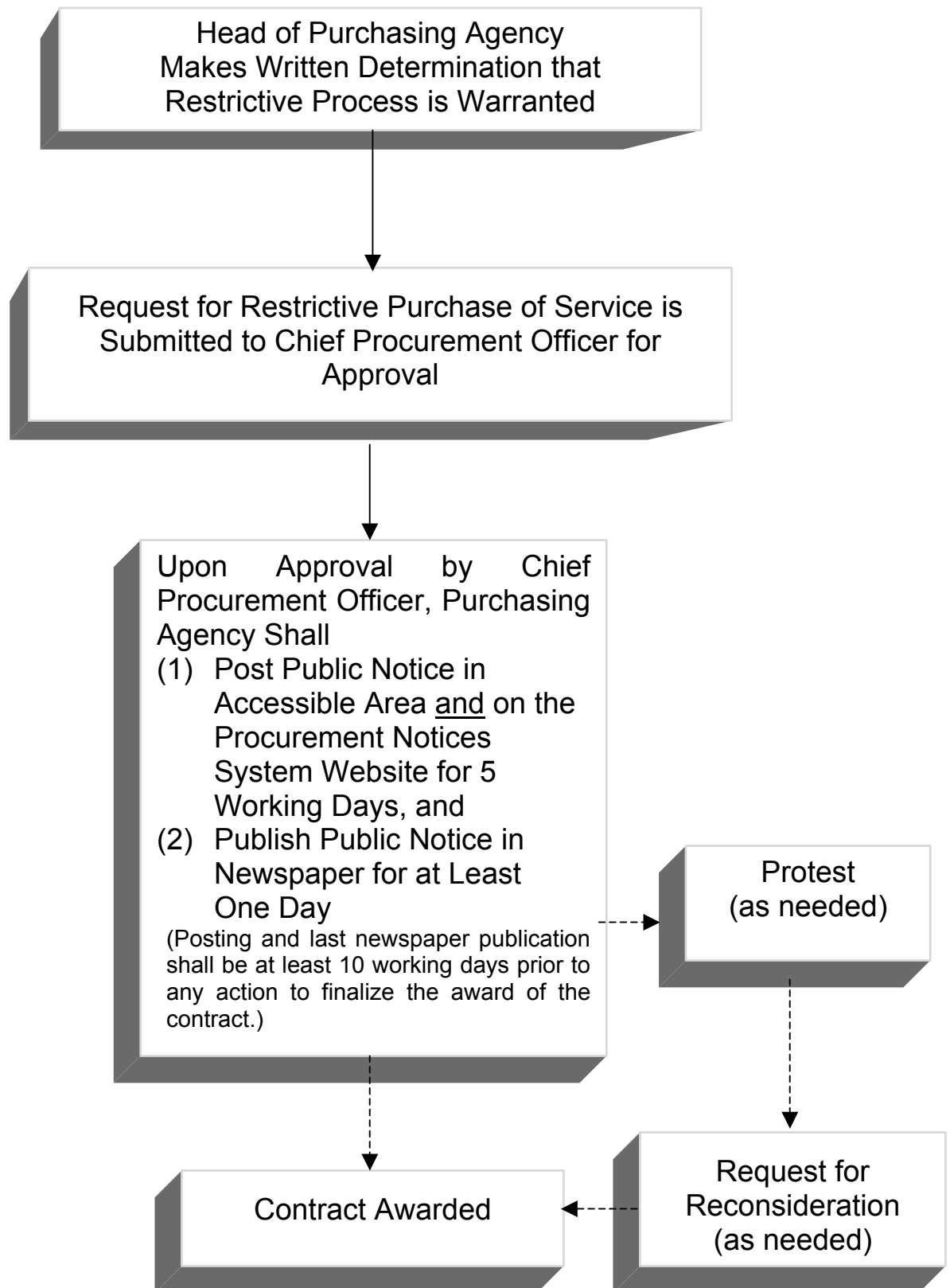
**Chapter 103F, HRS**  
**Competitive POS Procurement Process**  
**for Health and Human Services**



## Competitive Purchase of Service Method of Procurement

<b>Brief Description</b>	Competitive request for proposal process. Requires the solicitation of proposals to select providers and award funds for the delivery of health and human services.
<b>Bases for Use</b>	Purchasing agency has budgeted funds and/or the legislature has appropriated funds for purchase of health and human services.
<b>Procedures</b>	Public notice requesting submission of health and human service proposals is issued. All criteria that will be used to evaluate proposals and the relative importance of the criteria must be in the request for proposals. Proposals opened so as to avoid disclosure of contents to competing applicants during proposal evaluation. There may be discussions with applicants if it is stated in the request for proposals or in accordance with rules for clarification to assure full understanding of the requirements of the request for proposals.
<b>Solicitation Required</b>	Yes. Via request for proposals (RFP).
<b>Term limit of contract</b>	As stated in the request for proposals.
<b>Monetary Cap</b>	Limited by availability of funds.
<b>Protests</b>	May protest a purchasing agency's failure to follow procedures of this chapter or rules of the policy board, or a request for proposals. Also contains a request for reconsideration process.
<b>Other Comments</b>	Method to be used most often.
<b>Reference</b>	Hawaii Revised Statutes §103F-402     Competitive Purchase of Services §103F-501     Protested Awards §103F-502     Right to request Reconsideration §103F-503     Award of Contract Suspended During a Protest §103F-504     Exclusivity of Remedies and Hawaii Administrative Rules (HAR)

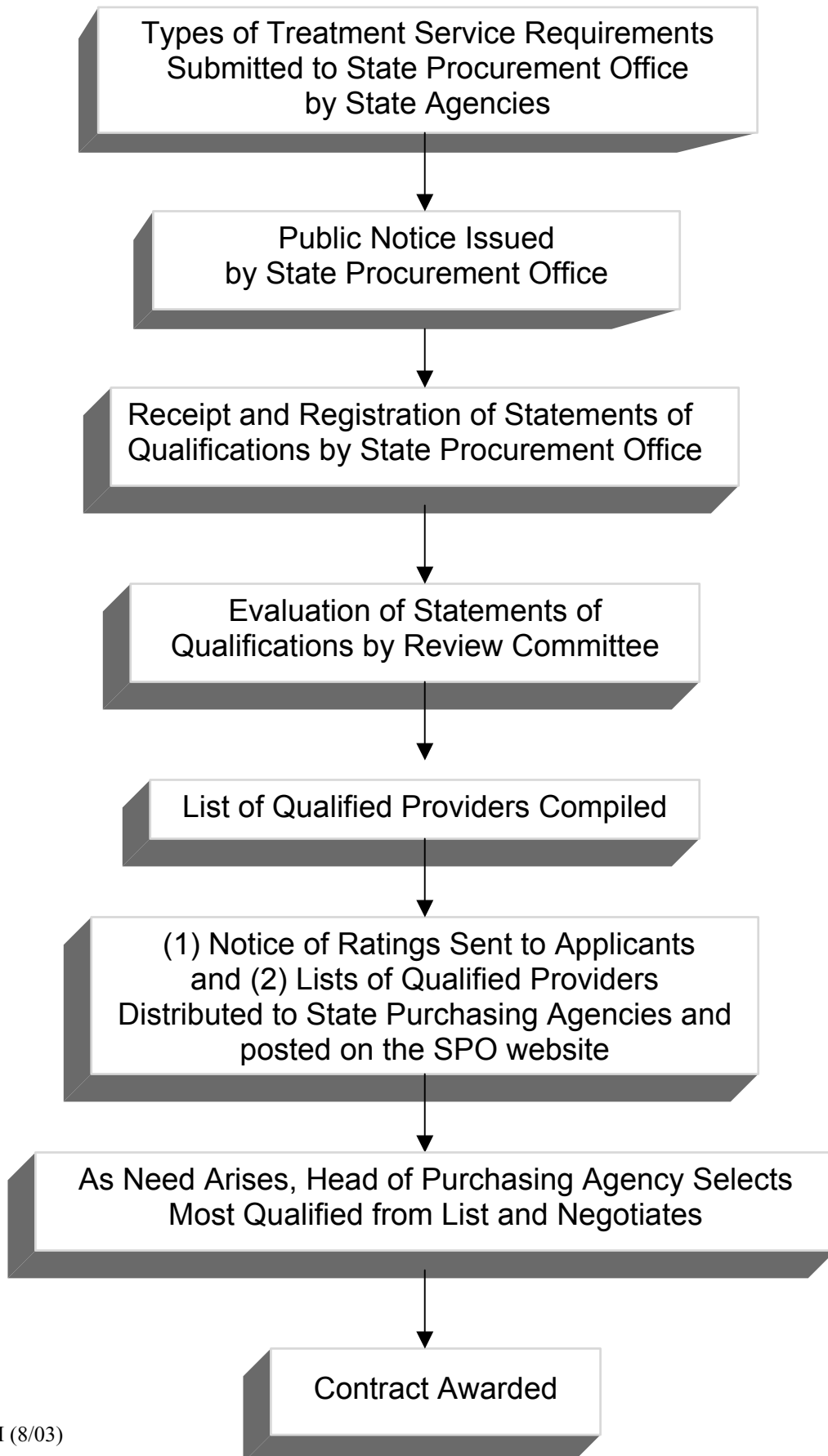
Chapter 103F, HRS  
Restrictive POS Procurement Process  
for Health and Human Service



## Restrictive Purchase of Service Method of Procurement

<b>Brief Description</b>	Award without competition when certain conditions are met.
<b>Bases for Use</b>	<p>Bases for restrictive purchase include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Need for a service in a geographic area available from only one provider.</li> <li>2. Need for a service with a unique cultural approach designed for a limited target group available from only one provider.</li> <li>3. Only one provider satisfies limitations imposed by funding source.</li> </ol>
<b>Solicitation Required</b>	No. However, public notice of intention to utilize a restrictive or sole source contract must be (1) posted in an accessible area, (2) posted on the Procurement Notices System (PNS) website, and (3) published in the newspaper.
<b>Term Limit of Contract</b>	Not to exceed two years.
<b>Approval Required</b>	Head of purchasing agency makes a written determination. Chief procurement officer approves the determination in writing.
<b>Monetary Cap</b>	Limited by availability of funds.
<b>Protests</b>	May protest a purchasing agency's failure to follow procedures of this chapter or rules of the policy board. Also contains a request for reconsideration process.
<b>Procedures</b>	<p>Purchasing agency submits written determination with evidence supporting the request for restrictive purchase to chief procurement officer. Chief procurement officer reviews request and, if approved, purchasing agency (1) posts the public notice in an accessible area and on the Procurement Notices System (PNS) website, and (2) publishes the notice in the newspaper. Purchasing agency shall include a statement that any person may file a written protest, the address of person or purchasing agency with whom protests are to be filed, and the protest due date.</p> <p>Written determination, any protests, written summary of disposition of any protest will be included in the contract database.</p>
<b>Reference</b>	<p>Hawaii Revised Statutes</p> <p style="padding-left: 40px;">§103F-403 §103F-501 §103F-502 §103F-503 §103F-504 and</p> <p>Hawaii Administrative Rules</p>

Chapter 103F, HRS  
Treatment POS Procurement Process  
for Health and Human Services



## Treatment Purchase of Service Method of Procurement

<b>Brief Description</b>	Heads of purchasing agencies choose the most qualified from a list of qualified providers and negotiate a contract.
<b>Bases for Use</b>	<p>For health and social work professional services that may be needed from time to time, including but not limited to medical treatment, counseling, physical, occupational and other therapeutic services, and referral and case management for those services.</p> <p>If either or both of the following are applicable:</p> <ol style="list-style-type: none"> <li>1. Such services may become necessary from time to time, but cannot be anticipated accurately on an annual or biennial basis; and/or</li> <li>2. Delaying treatment until the procurement process and contract formation can be completed would render the problem needing treatment worse than at the time of diagnosis or assessment.</li> </ol>
<b>Procedures</b>	<p>Before the beginning of each fiscal year, a public notice issued by the State Procurement Office is published (newspaper and the Procurement Notices System website) describing the types of treatment services that may be periodically needed throughout the year and inviting providers to submit current statements of qualifications to the office of the administrator.</p> <p>A committee of at least 3 qualified employees evaluates submissions and other pertinent information and prepares a list of all qualified applicants.</p> <p>When the need to purchase arises, the head of the purchasing agency selects most qualified provider and a contract is negotiated. If negotiations fail, another provider is selected from the list.</p>
<b>Solicitation Required</b>	Solicitation for qualified providers who are interested in being placed on the list.
<b>Term limit of contract</b>	Contract is limited to one year unless waived by the chief procurement officer.
<b>Monetary Cap</b>	\$100,000 unless waived by the chief procurement officer.
<b>Protests</b>	None specified by statute.
<b>Other Comments</b>	The term “treatment” may be misleading. This method is not to be used for all treatment services, but only as specified in “Bases for Use” above.
<b>Reference</b>	<p>Hawaii Revised Statutes</p> <p style="text-align: center;">§103F-404</p> <p style="text-align: center;">and</p> <p>Administrative Rules</p>

Chapter 103F, HRS  
**Treatment Purchases of Services**

**Health and Human Services**  
**(Section 103F-102, HRS)**

Services to communities, families, or individuals which are intended to maintain or improve health or social well-being.

**Treatment**  
**(Section 103F-102, HRS)**

Services to individuals and families by health or social work professionals which attempt to alleviate physical or mental illness or behavioral problems, including but not limited to, medical treatment, counseling, physical, occupational and other therapeutic services, and referral and case management services for medical treatment, counseling, and other therapeutic services.

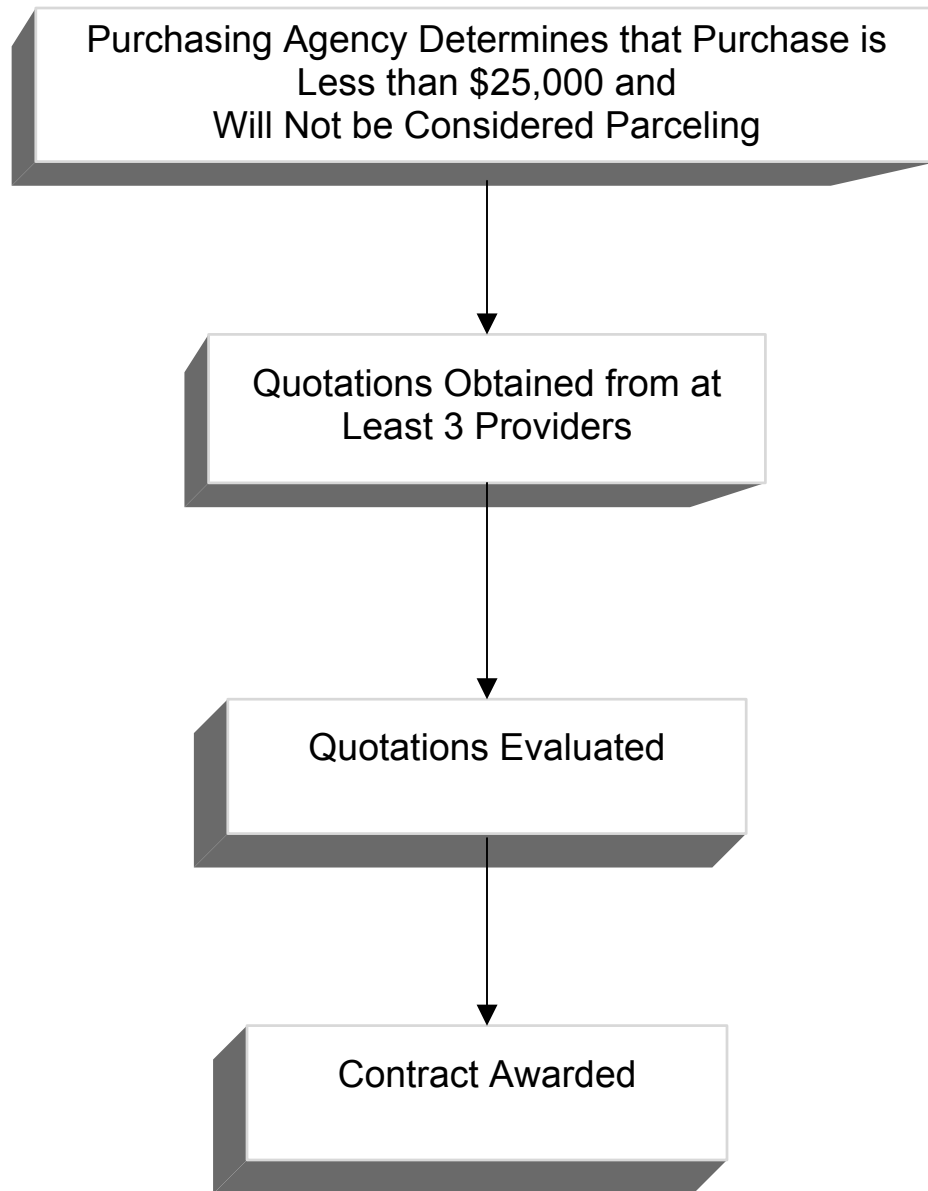
**Treatment Purchases of Services**  
**(Section 103F-404(a)(1)(2), HRS)**

Treatment services may be purchased in accordance with this section if either or both of the following circumstances are applicable:

- (1) Such services may become necessary from time to time, but cannot be anticipated accurately on an annual or biennial basis; and
- (2) When deferring treatment until solicitation, provider selection, and contract formation can be completed, the problem needing treatment would be rendered worse than at the time of diagnosis or assessment.



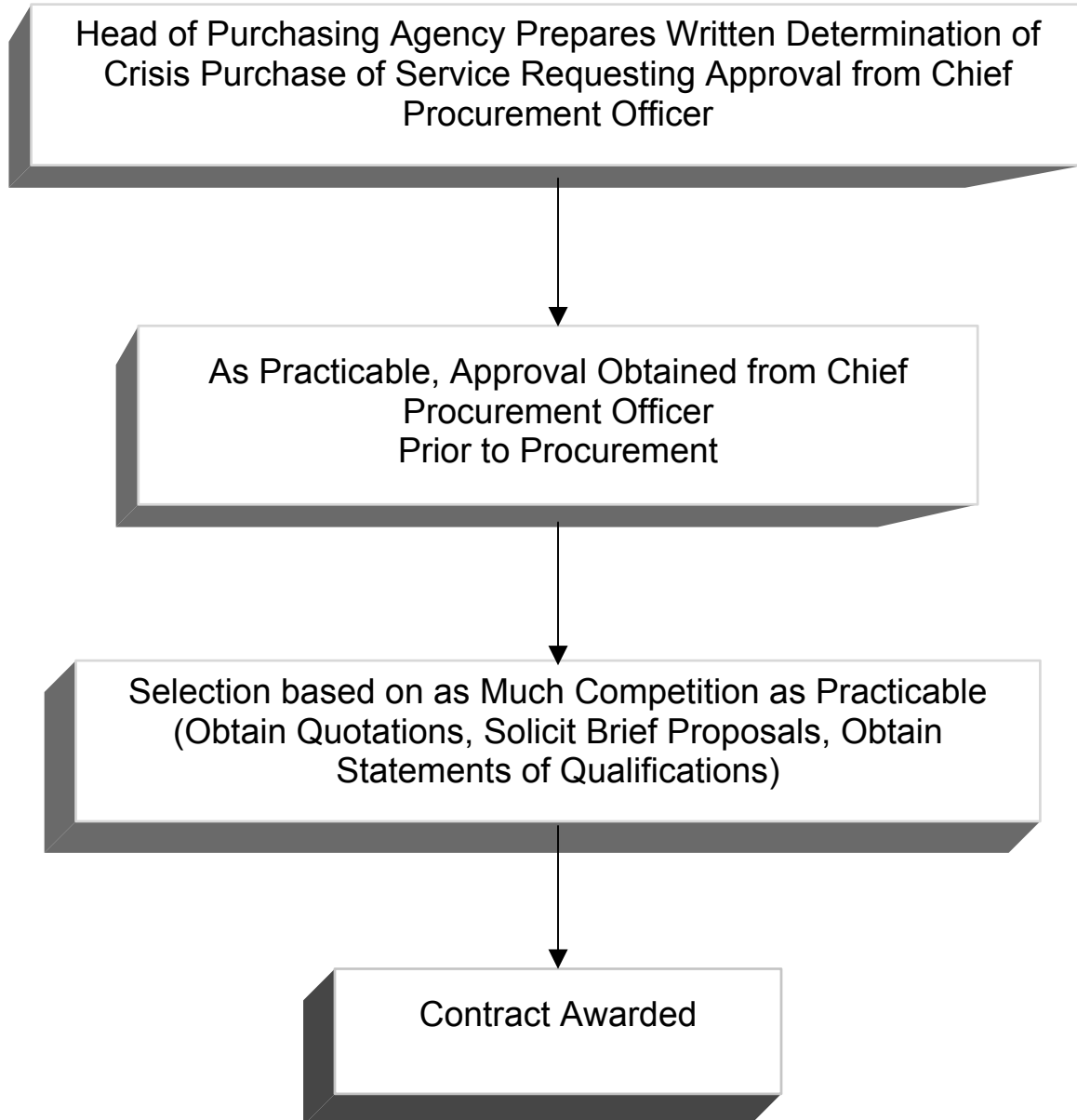
Chapter 103F, HRS  
Small Purchase Procurement Process  
for Health and Human Services



## Small Purchase of Service Method of Procurement

<b>Brief Description</b>	Services less than \$25,000.
<b>Bases for Use</b>	Purchase is under \$25,000, and in accordance with requirements and rules for small purchases. Generally, this means obtaining 3 quotes. Parceling is not permitted.
<b>Procedures</b>	To the extent as it is practical and based on the purchasing agency's specifications, adequate and reasonable competition of no less than three quotations shall be solicited. The award shall be made to the provider with the most advantageous quotation.
<b>Solicitation Required</b>	Generally, purchasing agency is required to obtain 3 quotations.
<b>Term limit of contract</b>	None specified by statute.
<b>Monetary Cap</b>	Less than \$25,000
<b>Protests</b>	None specified by statute.
<b>Other Comments</b>	Dividing the purchase of same, like or related services into service purchases of smaller quantities, to evade the statutory competition purchase of service requirements is not allowed.
<b>Reference</b>	Hawaii Revised Statutes §103F-405 and Administrative Rules

Chapter 103F, HRS  
Crisis POS Procurement Process  
for Health and Human Services



## Crisis Purchase of Service Method of Procurement

<b>Brief Description</b>	Services for crises seriously threatening life, health or safety; are not already available, and needed immediately.
<b>Bases for Use</b>	Both of the following must be met: <ol style="list-style-type: none"><li>1. The crisis results from domestic violence, physical or mental illness or injury, homelessness, etc. and results in a serious threat to life, health and safety; and</li><li>2. The crisis generates an immediate and serious need for health or human services that cannot be met by any other purchasing agency that provides health and human services, or under other provisions of Chapter 103F.</li></ol>
<b>Procedures</b>	Crisis purchase of services shall be made with as much competition as is practical under the circumstances. Where practicable, approval from the chief procurement officer shall be obtained prior to the purchase. A written determination of the need to make a crisis purchase and the reasons for selecting the provider shall be included in the contract file.
<b>Solicitation Required</b>	As practicable.
<b>Term limit of contract</b>	None specified by statute, may be addressed in rules.
<b>Approval Required</b>	Where practicable, approval from chief procurement officer shall be obtained prior to making the purchase.
<b>Monetary Cap</b>	Limited by availability of funds.
<b>Protests</b>	None specified by Statute.
<b>Reference</b>	Hawaii Revised Statutes §103F-406 and Administrative Rules